

# Political Risk Update: October 18, 2022

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## China: President Xi reaffirms current policies at party congress

### Event

The 20th National Congress of the Chinese Communist Party began in Beijing on October 16 with an opening speech by President Xi Jinping.

### Outlook

Xi's speech represented the leadership's official positions on key issues. It suggests policy continuity, which was not an inevitable position and was just one option that it could have chosen. Xi's controversial zero-COVID policy looks set to stay, while economic policy will focus on technology, science and education. Security received greater emphasis than at the last Party Congress five years ago, but this may reflect changes since then more than changes planned henceforth. President Xi's language on Taiwan was not noticeably tougher than in the past.

### Analysis

The Party Congress runs until October 22, with China's new leadership team to be revealed the following day. Xi Jinping will almost certainly remain Party leader; who will join him on the Politburo Standing Committee and the wider Politburo is uncertain. Xi's opening speech was based on the Work Report, a long document prepared for the Congress that is the product of consultation and consensus among the Party elite and presents its positions on major policy issues. It is not written in specific and accessible language but can still give broad indications of policy direction, especially when compared with previous editions.

## Tunisia: Deal reached with the IMF may not be enough

### Event

Even as the government reached a preliminary agreement with the IMF on a loan of \$1.9 billion on October 15, the capital Tunis experienced a second day of widespread protests over economic conditions.

## Outlook

The IMF board is scheduled to discuss Tunisia's programme request in December, when the loan will ultimately be approved. In the meantime, the country's economic crisis will worsen and this will exacerbate the political situation and strengthen calls for a change in government.

## Analysis

The funeral of a young man who died during a police chase in August triggered a demonstration on October 14, and protests grew the following day as two rival opposition groups organised protests over political and economic conditions. In the past week, Tunisia has seen significant fuel shortages that left people queuing for hours, on top of food shortages that Tunisians have been experiencing for the past few months. Tunis had been hoping for a \$4 billion loan and the preliminary agreement with the IMF agreement provides just under half of that, so other bilateral loans and aid will be needed. However, it remains unclear whether the current government will manage to undertake the economic reforms that are needed, some of which are opposed by the country's main union body.

## Venezuela: Rising out-migration brings wider risks

### Event

UN estimates released on October 17 indicate that some 7.1 million Venezuelans have left the country since 2015 amid the continuing political and economic crisis.

### Outlook

US warnings of tighter sanctions on Venezuela are primarily intended to address domestic claims that Washington has been 'soft' on Caracas but, by adding to the increasing economic hardship in the country, they will only exacerbate migrant outflows.

### Analysis

The ongoing social, economic and political crisis has driven Venezuela's migrant outflows, with the largest numbers having settled in Colombia and Peru (nearly 2.5 million and 1.5 million, respectively). The United States accounts for around 550,000 Venezuelan migrants, and numbers trying to cross the Mexico-US border have been increasing. In recent days US authorities announced new measures to facilitate legal migration (albeit with considerable restrictions), and the United States and Mexico have reached a deal that will allow US authorities to return Venezuelan nationals found to have crossed the border illegally back to Mexico. The influx of Venezuelan migrants and asylum seekers has become increasingly difficult to manage in much of the region, given mounting xenophobia and post-pandemic economic pressures; the \$375 million in new humanitarian aid promised by Washington to Venezuelan refugees, migrants and host communities falls far short of current needs.

## Russia: Kremlin tries to curb fears by setting end to mobilisation

### Event

President Vladimir Putin said on October 14 that the mobilisation campaign would end within two weeks when it reached its target.

### Outlook

The Kremlin is trying to calm public fears by demonstrating that the recent mobilisation drive to find troops for Ukraine is finite, despite frequent reports that some regional administrations are receiving instructions for a second wave of call-ups. These assurances ignore the economic disruption caused by mobilisation; legislators are lobbying for more time for enlisted entrepreneurs to place their businesses in safe hands.

### Analysis

A bill submitted to the Russian parliament on October 17 would remove the special exemption from military mobilisation that legislators enjoy. The parliamentary leader of the pro-Kremlin Just Russia party, Sergey Mironov, said the proposal responded to a "public demand for fairness". Communist legislator Nikolay Kharitonov countered that it was just "playing at patriotism". Speaking last week, President Putin said that the mobilisation campaign would end within two weeks once it reached its target. He said 222,000 people had already been called up, of whom 16,000 were already in combat, and implied that the target figure might be lower than the 300,000 which the defence ministry initially cited. Putin says enlisted men will receive no more than 10 days' training before joining their units.

## Turkey: New media legislation will curtail political debate

### Event

On October 13 parliament approved a bill that amends press and social media laws with the stated aim of "combatting fake news and disinformation".

### Outlook

The lack of a clear definition of "false or misleading information" raises concerns that the governing AKP may use the legislation for political ends ahead of the parliamentary and presidential elections due next June. The threat of a three-year prison term for those convicted will cause the media, already highly constrained, to increase self-censorship and so reduce the space for political debate.

### Analysis

Parliamentary debate around the bill was highly contentious, with opposition MPs attempting to disrupt proceedings over what they term a "censorship law". One article mandates a prison sentence of one to three years for spreading information that is "contrary to the truth" about the country's security. Freedom of speech has become more constrained in recent years as President Recep Tayyip Erdogan has shown increasing authoritarian tendencies. Reporters without Borders already ranks Turkey at 154 out of 179 jurisdictions in relation to the freedom of the press.

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